**Unit 7 ~ Chapter 22 - 24**

**Study Guide**

**True and False Questions**

1. \_\_\_\_\_ A consumer is a person who buys and uses good or services.
2. \_\_\_\_\_ Your standard of living is probably determined more by how wisely you spend than by how much money you earn..
3. \_\_\_\_\_ Product testing organizations have as their main purpose the testing of products and services.
4. \_\_\_\_\_ The Good Housekeeping Seal promises the product will be replaced or your money will be refunded if the product is found to be defective within one year of purchase.
5. \_\_\_\_\_ Better Business Bureaus are supported by the federal government and dues paid by member consumers.
6. \_\_\_\_\_ The Food and Drug Administration makes certain that food, drug, and cosmetic products are not harmful to consumers.
7. \_\_\_\_\_ The Federal Trade Commission is one of the federal agencies that protect your right to be heard.
8. \_\_\_\_\_ In being a reasonable consumer, you should be sure you have cause for a complaint before you make it known.
9. \_\_\_\_\_The most important responsibility you have as a consumer is to be informed.
10. \_\_\_\_\_ At the state level, the Office of the Attorney General and the Department of Consumer Affairs have some responsibility to protect the rights of consumers.
11. \_\_\_\_\_ Retailers generally run three types of sales: promotional, clearance, and special-purchase.
12. \_\_\_\_\_ A price index is a series of figures showing how prices have changed over a period of years.
13. \_\_\_\_\_ It is not necessary to include a personal data sheet if you have a well-written and complete letter of application.
14. \_\_\_\_\_ Consumers’ Union Incorporated is an example for a for-profit organization which performs tests on consumer goods and reports the results to the manufacturer.
15. \_\_\_\_\_ One of the main activities of the Office of Consumer Affairs is to prevent one firm from using unfair practices to force competing firms out of business.

**Multiple Choice Questions**

1. A type of advertising that originates with the consumer is
   1. labels
   2. customer service departments
   3. word-of-mouth
   4. none of the above
2. The U.S. Department of Agriculture (USDA) publications specialize in information about
   1. Judging food quality.
   2. Buying food wisely.
   3. Improving nutrition.
   4. All of the above.
3. Underwriters Laboratories, Inc., which concerns itself with fire and electrical safety, is an example of
   1. A product-testing organization
   2. A print publisher
   3. A broadcast organization.
   4. All of the above.
4. Comparing the price, quality, and services associated with one product with those of another product is
   1. Impulse buying
   2. Convenience shopping
   3. Unit price
   4. Comparison shopping
5. Stores that emphasize lower prices on their products are
   1. Convenience stores.
   2. Full-service stores.
   3. Discount stores.
   4. Specialty stores.
6. A series of figures showing how prices have changed over a period of years is
   1. Generated by the Better Business Bureau.
   2. Comparison shopping.
   3. A price index.
   4. None of the above.
7. The agency that has the authority to set safety standards is the
   1. Food and Drug Administration.
   2. Consumer Product Safety Commission.
   3. U.S. Department of Agriculture.
   4. Federal Trade Commission.
8. A guarantee made orally or in writing that promises a specific quality of performance is called
   1. An implied warranty.
   2. A guarantee.
   3. An express warranty.
   4. Fraud.
9. Consumer Responsibilities include
   1. Being honest and reasonable.
   2. Reporting unethical practices.
   3. Being informed and involved.
   4. All of the above.
10. Sales used to clear merchandise that stores no longer wish to carry in stock are
    1. Promotional sales.
    2. Clearance sales.
    3. Special purchase sales.
    4. Holiday sales.

**In the blanks provided, write the word of phrase that best completes each sentence.**

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are two sources of consumer information provided by broadcast organizations.
2. The federal government formed the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to servce as headquarters for consumer information.
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is probably the most popular source of consumer information.
4. Sometimes it is wise to get advice for an expert or \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ before purchasing a product. This is especially true if you have never bought such an item, if the item is very complicated, or if it is very expensive.
5. An \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is the value of any alternative that you give up when you buy something else or make another choice.
6. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ are unbranded items that supermarkets sell at reduced prices.
7. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ offer a wide variety of good and emphasize customer service.
8. A \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is a large, full-service store that carries a wide variety of national, store, and generic brands at moderate prices.
9. Skillful consumers save \_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_, and \_\_\_\_\_\_\_\_\_\_\_ by planning their shopping activities.
10. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ shows the changes in the average prices of good and services bought by consumers over period of time.
11. When a business has no competitors and controls the market for a product or service, it is said to have a \_\_\_\_\_\_\_\_\_\_\_\_\_\_.
12. The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ regulates advertising and encourages informative and truthful advertising.
13. Guarantees that are not written and are understood to apply even though they have not been stated either orally or in writing are called \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
14. The right to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ encourages businesses to take steps necessary to ensure that products and services meet the quality and performance levels claimed for those products and services.
15. If you believe that your complaint was not handled fairly by the sales person or the customer service department, take the matter up with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.